



**Entergy**

**Entergy Arkansas, Inc.**  
Regulatory Affairs  
425 West Capitol Avenue  
P O Box 551  
Little Rock, AR 72203-0551  
Tel 501 377 4000

2005 JUN 17 AM 10:42

TRA DOCKET ROOM

June 15, 2005

Mr Pat Miller, Chairman  
Tennessee Regulatory Authority  
460 James Robertson Parkway  
Nashville, TN 37243-0505

Re Tennessee Regulatory Authority (TRA) Docket No. 03-00486  
Entergy Arkansas, Inc Request for Approval to Enter Into Certain  
Financing Transactions During the Years 2004 Through 2006

Dear Mr Miller:

Pursuant to the approving Order issued October 31, 2003, in TRA Docket No 03-00486, please find attached for filing with the TRA the original and thirteen copies of Entergy Arkansas, Inc 's compliance financing report filed today with the Arkansas Public Service Commission in APSC Reporting Docket No 86-033-A and APSC Docket No. 03-139-U.

This report is in regard to EAI's May 26, 2005, issuance of \$100 million aggregate principal amount of First Mortgage Bonds.

If you have any questions or need additional information, please do not hesitate to call me at 501-377-4457

Sincerely,

SS/tj

Attachments



ARK PUBLIC SERV COMM.  
DIANA WILSON  
SECRETARY OF COMM.

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Entergy Arkansas, Inc.  
425 West Capitol Avenue  
P.O. Box 551  
Little Rock, AR 72203-0551  
Tel: 501 377 4457  
Fax: 501 377 4415

FILED

Steven K. Strickland  
Vice President  
Regulatory Affairs

June 15, 2005

Ms. Diana Wilson, Secretary  
Arkansas Public Service Commission  
P. O. Box 400  
1000 Center Street  
Little Rock, AR 72203-0400

Re: Originating Docket: 03-139-U  
Report Docket: 86-033-A  
Pursuant to Order No. 2  
In the Matter of the Application of Entergy Arkansas, Inc.  
for Authorization to Enter Into Certain Financing  
Transactions During the Years 2004 Through 2006

Dear Ms. Wilson:

Please find attached the original and thirteen copies of Entergy Arkansas, Inc.'s report to the Commission in the above-styled proceedings regarding its May 26, 2005, issuance of \$100,000,000 aggregate principal amount of First Mortgage Bonds. This report is required under Order No. 2 in Docket No. 03-139-U.

Please file this letter and the attached report in the appropriate docket.

Sincerely,

A handwritten signature in black ink, appearing to read "S. Strickland".

SS/tj  
Attachments

**ENTERGY ARKANSAS, INC.**

**ISSUANCE OF FIRST MORTGAGE BONDS:  
\$100,000,000 4.50% SERIES DUE JUNE 1, 2010**

**EXECUTIVE SUMMARY**

**TRANSACTION ANALYSIS AND RESULTS**

On Thursday, May 26, 2005, Entergy Arkansas, Inc. ("EAI"), issued \$100,000,000 aggregate principal amount of First Mortgage Bonds at an interest rate of 4.50%. The net proceeds will be used to meet the maturity of \$100,000,000 principal amount of First Mortgage Bonds, 6 1/8% Series due July 1, 2005 of EAI. The new bonds mature in five years and are callable at any time with a make-whole call provision.

The net proceeds from the issuance were \$99,314,000 after deducting underwriting expenses. Additional expenses are estimated to be approximately \$164,000. Actual expenses will not be known for several months subsequent to closing.

**SUMMARY OF TERMS**

<u>Principal Amount:</u>	\$100,000,000
<u>Maturity Date:</u>	June 1, 2010
<u>Optional Call Provisions:</u>	Make-whole call (T + 25 bp) until maturity
<u>Underwriters:</u>	BNY CAPITAL MARKETS, INC. KEYBANC CAPITAL MARKETS, A DIVISION OF McDONALD INVESTMENTS INC. SG AMERICAS SECURITIES, LLC STEPHENS INC. WEDBUSH MORGAN SECURITIES INC.
<u>10 Year Treasury Yield @ Pricing:</u>	03.819%
<u>Spread to Treasury:</u>	00.70%
<u>Yield to Public:</u>	04.519%
<u>Coupon Rate:</u>	04.50%
<u>Price to Public:</u>	99.914%
<u>Underwriters' Compensation:</u>	00.600%
<u>Price to Company:</u>	99.314%
<u>Proceeds to Company:</u>	\$99,314,000

**JOURNAL ENTRIES**

Exhibit A shows journal entries related to the issuance of the new series of First Mortgage Bonds.

ENTERGY ARKANSAS, INC.  
ENTRIES TO RECORD THE ISSUANCE OF  
\$100,000,000 FIRST MORTGAGE BONDS

**Entry No. 1**

Cash	\$99,314,000.00	
Unamortized Debt Expense – FMB (Underwriting Fee)	\$ 600,000.00	
Unamortized Discount on Long Term Debt	\$ 86,000.00	
Long Term Debt – First Mortgage Bonds		\$100,000,000.00

To record the sale of \$100,000,000 principal amount of 4.50% Entergy Arkansas, Inc. First Mortgage Bonds due June 1, 2010, and the related underwriting fee.

**Entry No. 2**

Unamortized Debt Expense – FMB	\$*	
Cash		\$*

To record expenses in connection with the issuance of \$100,000,000 principal amount of 4.50% Entergy Arkansas, Inc. First Mortgage Bonds due June 1, 2010. (\*Total expenses are estimated to be approximately \$164,000. Actual expenses will not be known for several months subsequent to closing.)

**Entry No. 3**

Amortization – Discount on Long Term Debt*	\$ 11,627.52	
Unamortized Discount on Long Term Debt*		\$ 11,627.52

To record the annual amortization of debt discount in connection with the issuance of \$100,000,000 principal amount of 4.50% Entergy Arkansas, Inc. First Mortgage Bonds due June 1, 2010.

\*NOTE: This amount represents the amount of discount that will be amortized for 2005 only. The annual amortization of the debt discount for all other years will be \$17,441.28.

**Entry No. 4**

Amortization – Expenses for Long Term Debt*	\$ 81,122.16	
Unamortized Debt Expense for Long Term Debt*		\$ 81,122.16

To record the annual amortization of underwriting fee in connection with the issuance of \$100,000,000 principal amount of 4.50% Entergy Arkansas, Inc. First Mortgage Bonds due June 1, 2010.

\*NOTE: This amount represents the amount of expenses that will be amortized for 2005 only. The annual amortization of the debt expense for all other years will be \$121,683.24, unless more expenses are added to this project code, thereby increasing the total balance and monthly amortization.

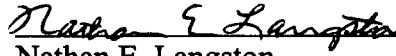
**Entry No. 5**

Long Term Debt	\$100,000,000.00	
Cash		\$100,000,000.00

To record the maturity of the \$100,000,000 principal amount of 6 1/8% Entergy Arkansas, Inc. First Mortgage bonds due July 1, 2005 being redeemed in connection with the issuance of \$100,000,000 principal amount of 4.50% Entergy Arkansas, Inc. First Mortgage Bonds due June 1, 2010.

ENTERGY ARKANSAS, INC.

I, Nathan E. Langston, Senior Vice President and Chief Accounting Officer, attest on this 13th day of June, 2005, that the journal entries attached as Exhibit A correctly reflect the effect of the sale on May 26, 2005 of \$100,000,000, 4.50% Entergy Arkansas, Inc. First Mortgage Bonds due June 1, 2010.

  
\_\_\_\_\_  
Nathan E. Langston  
Senior Vice President and Chief Accounting Officer